

IN THE WORKERS' COMPENSATION COURT OF THE STATE OF MONTANA

2024 MTWCC 3

WCC No. 2024-00347

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STEPHANY SUNDHEIM

Petitioner

vs.

MONTANA HEALTH NETWORK, WC INS. TRUST

Respondent/Insurer.

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**ORDER DENYING JOINT PETITION FOR APPROVAL OF STIPULATED  
SETTLEMENT AGREEMENT, DISMISSAL WITH PREJUDICE, AND JUDGMENT**

**Summary:** The parties have asked this Court to approve a joint stipulation, dismissal with prejudice, and judgment to settle a pending claim.

**Held:** The parties' request is denied because the joint stipulation contains terms that are unenforceable, as well as contrary to statute and the expressed public policy of this State as set forth in § 39-71-105, MCA.

¶ 1 Petitioner Stephany Sundheim and Respondent/Insurer Montana Health Network, WC Ins. Trust, have asked this Court to approve a joint stipulation, dismissal with prejudice, and judgment to settle Petitioner's pending claim against Respondent/Insurer.

¶ 2 The stipulation at issue contains the following language:

16. This judgment concludes and satisfies Petitioner's workers' compensation claim, **known or unknown**, against Respondent with prejudice.<sup>1</sup>

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<sup>1</sup> Joint Petition for Approval of Stipulated Settlement Agreement, Docket Item No. 1, at 4 (emphases added).

¶ 3 In *Jones v. Albertsons, Inc.*,<sup>2</sup> this Court was asked to approve a joint Stipulation for Dismissal and Order for Dismissal with Prejudice that contained the following language:

4. That Petitioner hereby intends and does hereby settle any and all claims, **filed or unfiled, known or unknown**, that she may have under the Workers' Compensation Act or Occupational Disease Act as a result of her employment with the Respondent, Albertsons, Inc. Any claim for compensation, rehabilitation and medical benefits for any filed or unfiled, known or unknown claims is denied by the Respondent and all compensation, rehabilitation and medical benefits for any such claims are expressly closed.<sup>3</sup>

¶ 4 This Court indicated that it had "both procedural and jurisdictional concerns" about the language which sought to settle "unknown" and "unfiled" claims, expressing doubt:

¶ 4a that there was a meaningful way for this Court to ascertain whether the settlement for "unknown" claims was fair; and

¶ 4b that this Court could assert jurisdiction to enter a judgment on claims which were unfiled because they were, by definition, not before this Court.<sup>4</sup>

¶ 5 Although the parties thereafter submitted an amended stipulation with the aforementioned language removed, this Court found that the revised language still put Petitioner in the untenable position of having to either waive her right to the settlement or waive her right to make a future, unknown claim.<sup>5</sup>

¶ 6 This Court identified several problems with this. First, § 39-71-409(1), MCA, specifically provides that an agreement by an employee to waive any rights under the Workers' Compensation Act is not valid and, pursuant to *Gamble v. Sears*,<sup>6</sup> parties may not agree to enter into a legally invalid contract.<sup>7</sup>

¶ 7 Second, the Montana workers' compensation system is designed "to minimize reliance upon lawyers and the courts to obtain benefits and interpret liabilities" and intended, instead, to be primarily self-administering.<sup>8</sup> Although those working within the

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<sup>2</sup> 2007 MTWCC 26.

<sup>3</sup> *Jones*, ¶¶ 1, 2 (emphases added).

<sup>4</sup> *Jones*, ¶ 3.

<sup>5</sup> *Jones*, ¶¶ 4, 6, 8.

<sup>6</sup> 2007 MT 131, ¶ 28, n.6, 337 Mont. 354, 160 P.3d 537.

<sup>7</sup> *Jones*, ¶¶ 8, 12.

<sup>8</sup> *Jones*, ¶ 10, (quoting § 39-71-105(4), MCA).

system may recognize that the identified language is unenforceable, the average layperson may not; such language runs a real risk of dissuading them from filing a future claim, regardless of merit, or compelling them to repay their settlement in order to pursue a claim that may be worth significantly less.<sup>9</sup>

¶ 8 Third, an objective of Montana’s workers’ compensation system is to provide, without regard to fault, wage-loss and medical benefits to a worker suffering from a work-related injury or disease.<sup>10</sup> “Nothing in this expressed public policy can reasonably be construed to allow an insurer to require a claimant to forego the benefits of one claim in order to pursue the benefits of another.”<sup>11</sup>

¶ 9 For the same reasons it identified in *Jones*, this Court denies the parties’ request in this case and reaffirms that, to the extent a stipulated settlement purports to release “unknown” claims, such language is unenforceable, as well as contrary to statute and the expressed public policy of this State as set forth in § 39-71-105, MCA.

#### ORDER

¶ 10 The parties’ request for a joint stipulation, dismissal with prejudice, and judgment is **denied**.

¶ 11 The parties may amend these documents in accordance with this Order and resubmit them for this Court’s approval.

¶ 12 Any party to this dispute may have twenty days in which to request reconsideration from this Order.

DATED this 4<sup>th</sup> day of March, 2024.

(SEAL)

/s/ Lee Bruner  
JUDGE LEE BRUNER

c: Matthew J. Murphy  
Jon Dyre

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<sup>9</sup> *Jones*, ¶ 10.

<sup>10</sup> *Jones*, ¶ 11 (citing § 39-71-105(1), MCA).

<sup>11</sup> *Jones*, ¶ 11.